

# Financial Results Presentation for FY03/25

Note :This document has been translated from the Japanese original disclosed on May 15, 2025, for reference purposes only. Please note that certain numerical figures were revised on May 23, 2025, and such revisions have been reflected in this translated document. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 15, 2025

**Abalance Corporation**  
(TSE Standard: 3856)

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# 1. Group Company Summary

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# Group Company Overview

(as of March 31, 2025)



Solar Panel Manufacturing  
Business



Green Energy Business



Other



## Abalance Corporation

Group management control and  
management

<https://www.abalance.jp/>



(100.0%)

### WWB Corporation

Development, sales, construction of solar  
power systems, Operation of power plants,  
Sales and rental of construction machines  
and equipment <https://www.wwb.jp/>



(100.0%)

### VALORS Corporation

Design, operation, consultation, etc. of  
power plants  
<https://www.valors.co.jp/>



(100.0%)

### PV Repower inc.

Reuse and recycling of used photovoltaic  
system related products  
<https://www.pvr.inc/>

日本光触媒センター株式会社

(100.0%)

### Japan Photocatalyst Center Corporation

Manufacture and sale of photocatalytic  
titanium oxide coating agents and products  
using them  
<https://www.jphec.jp/>



(50.0%)

### Birdy Fuel Cells LLC

Research and development of hydrogen-based  
energy storage systems  
<https://www.birdyfuelcells.com/>



(58.8%)

As of April 30, 2025

### Vietnam Sunergy Joint Stock Company (BloombergBNEF25/1Q : Tier1)

Manufacture and sales of solar products  
related products (ingots, wafers, and  
panels)  
<https://www.vsun-solar.com/>



(45.5%)

### TOYO Company Limited (NASDAQ : TOYO)

Manufacture and sales of solar products  
related products (cells and panels)  
<https://www.toyo-solar.com/>

\*% in brackets represent shareholding ratio

\*87% of VSUN is owned by FUJISOR, which is  
68% owned by WWB

# Company Profile and History (as of March 31, 2025)



## Company Profile

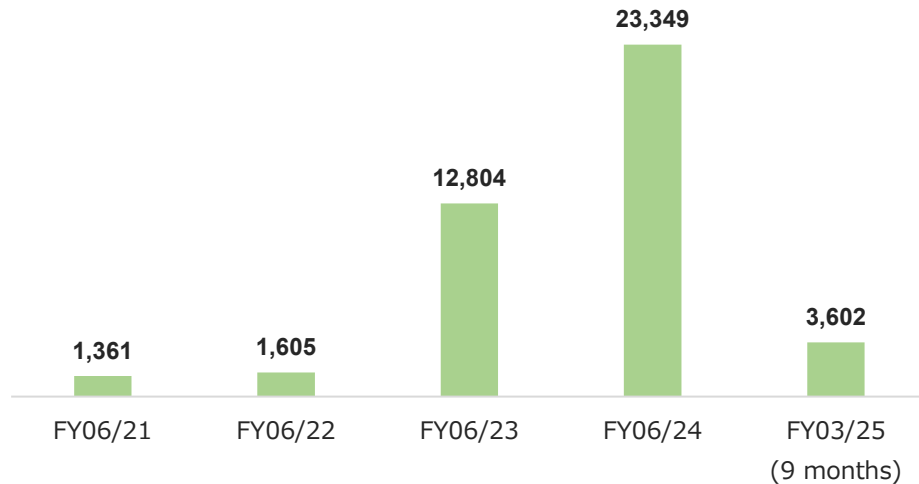
Trade Name	Abalance Corporation
Address	Tennozu First Tower 16F 2-2-4 Higashishinagawa, Shinagawa-ku, Tokyo
Representative	Okada Ryusuke
Establishment	April 17, 2000
Capital	2,521 million yen 2,766 million yen(as of April. 28, 2025)
Employees	Consolidated: 1,713/Non-consolidated: 36
Consolidated Subsidiaries	39 consolidated subsidiaries/6 equity-method affiliate
Consolidated Net Sales	72,417 million yen (FY03/25)
Consolidated Operating Income	3,602 million yen (FY03/25)
Number of shares outstanding	17,930,693 shares 19,033,193 shares(as of April 28, 2025)
Stock Listing	Tokyo Stock Exchange Standard Market (Code 3856)

## History

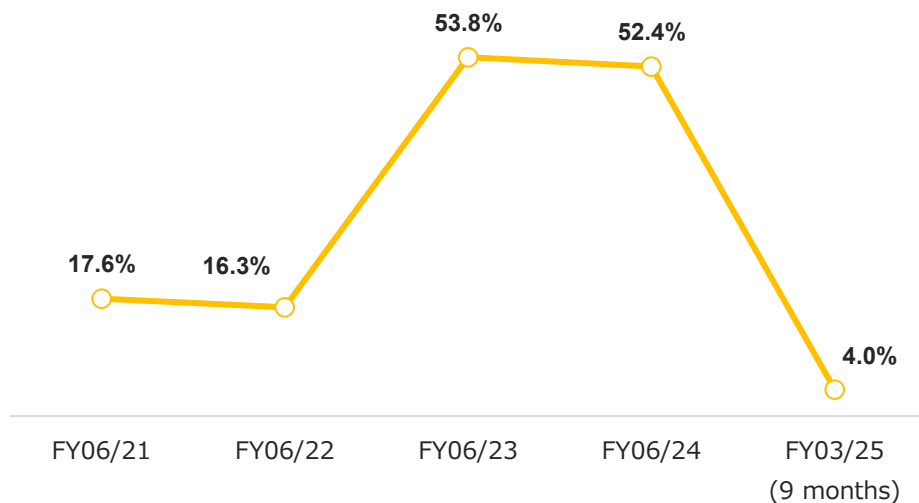
April 2000	Established
September 2007	Listed on the Tokyo Stock Exchange Mothers Market(Realcom Co., Ltd.)
November 2011	Share exchange implemented: Abalance Corporation (wholly owning parent), WWB Corporation (wholly owned subsidiary)
March 2017	Company name changed: Abalance Corporation
November 2018	Change to the Second Section of the Tokyo Stock Exchange
December 2020	Consolidated subsidiary: VSUN
March 2022	Equity-method affiliate : Meiji Machine Co., Ltd. (TSE Standard: 6334)
April 2022	Transition to the Tokyo Stock Exchange Standard Market
October 2023	Subsidiary established : TOYO
July 2024	Listed on NASDAQ: TOYO (Ticker: TOYO)
November 2024	Consolidated subsidiary : TOYO Solar Texas LLC (current name)

## Profitability

### Operating Income (Millions of yen)

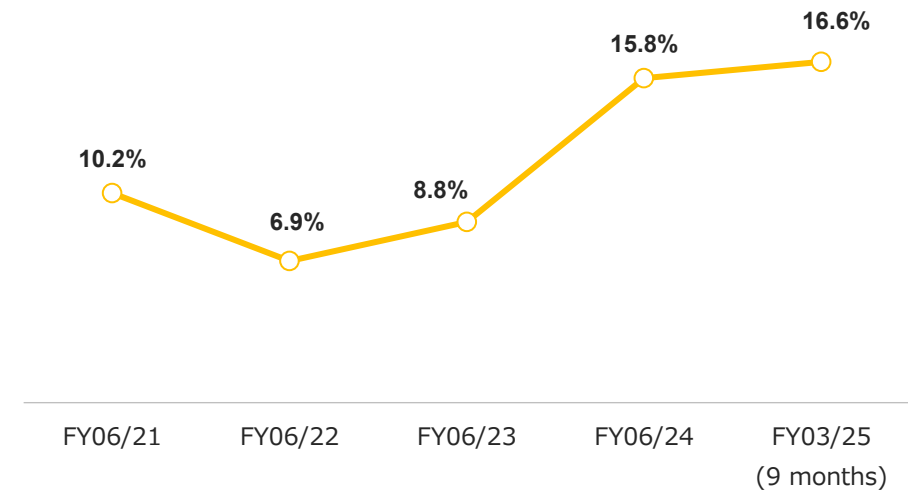


### Return on Equity (ROE)



## Financial Soundness

### Equity Ratio



## Shareholder Returns (Dividends)

- Policy: We will provide stable and continuous dividends while expanding and effectively utilizing retained earnings, thus improving corporate competitiveness and shareholder value.
- FY03/26: Annual dividends have not yet been determined, but we will make appropriate decisions while assessing our business performance.

(yen)	FY06/21	FY06/22	FY06/23	FY06/24	FY03/25
Interim dividends	7	8	3	3	0
Year-end dividends	10	10	5	5	3
Annual dividends	17	18	8	8	3

※The figures for FY06/23 onwards indicate the dividends per share after a three-for-one stock split.

## Enhancing corporate governance structure aiming for global expansion and robust management

- October 2024 : Newly establish the Risk Compliance Committee as an advisory committee to the Board of Directors (External Director as Chair)  
Newly establish the Finance Committee and Investment Committee as specialized committees for the Management Meeting
- February 2025: Change the fiscal year-end from the current June 30 to March 31 to facilitate global business operations and enhanced information disclosure.
- June 2025 : Transfer to new management structure including two Representative Directors aiming for enhancing governance and business  
(Based on the assumption that the related proposals are approved at the 26th Annual General Shareholders Meeting scheduled on June 28, 2025)

### New Corporate Management Structure

(Starting July 2025)

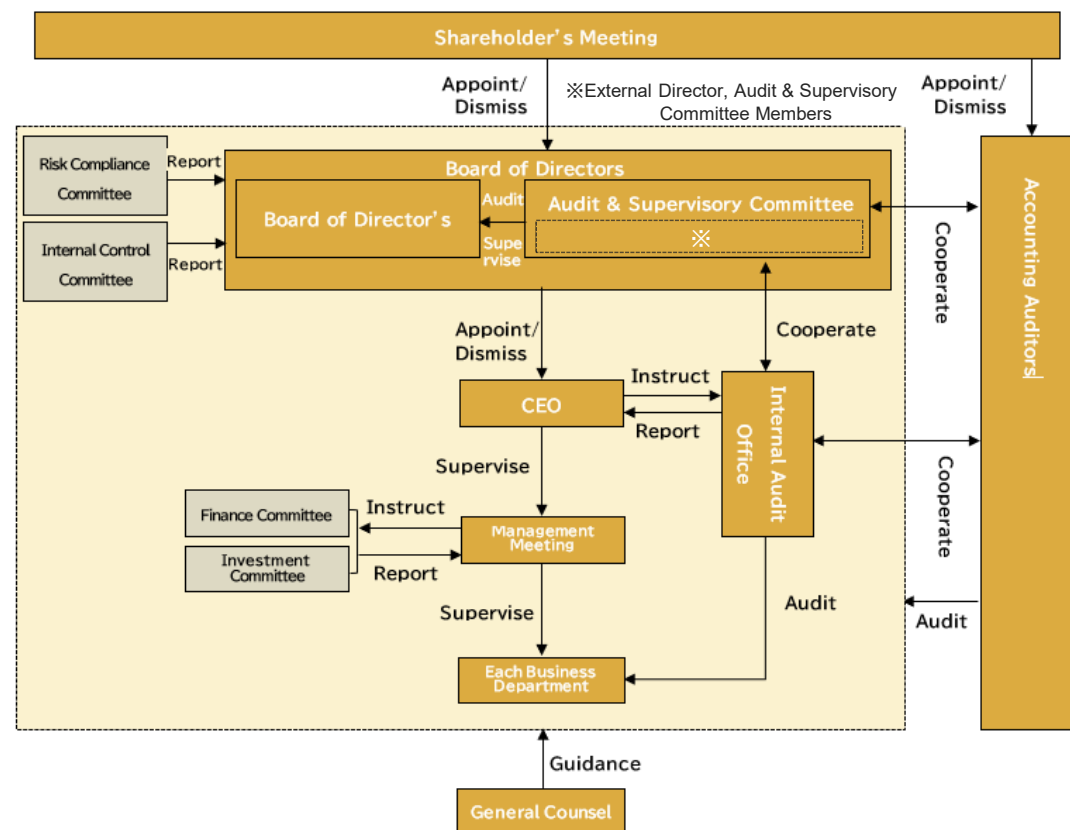
#### Directors (Mr. Ryu and Mr. Kunimoto are to be preliminary Representative Directors)

Director	Junsei Ryu
(New) Director	Ryoichi Kunimoto
Director	Motoharu Fujisawa
(New) Director	Kazuyasu Shibata
(New) Director	Koichi Hashimoto

#### External Directors, Audit & Supervisory Committee Members

Eternal Director	Masaru Honma
External Director	Shigeto Yanase
External Director	Yuriko Nakaya

### Current Overview of Corporate Governance Structure



## **2. Overview of FY03/25 Consolidated Financial Results**

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Management Environment

Economy

- Japanese economy showed a moderate recovery supported by the improvement in the employment and income situation as well the effect of various measures
- Meanwhile, the global economic outlook remains uncertain, with continuing high interest rates in Europe and the US, trends in US policy development, concern over the weak Chinese economy, and growing tensions in the Middle East situation

Market

- The market environment was sluggish due to a China-led oversupply of solar products
- For the US market, the U.S. Department of Commerce import tariff exemptions for solar panel products from four Southeast Asian countries ended in June 2024. Anti-dumping and countervailing duties for those four countries have been discussed (Preliminary decision in November 2024)
- Efforts to realize a carbon-free society have advanced in Japan and globally.
  - In Japan, the government’s target has been promoted based on the declaration of carbon neutrality in 2050
  - Globally, climate change responses in accordance with COP29 in 2024 and the US Inflation Reduction Act (IRA) have steadily progressed

Financial Results of the Company (for the nine months ended March 31, 2025)

The Solar Panel Manufacturing Business, which generates over 90% of the consolidated earnings, maintained profit through enhancing sales in markets other than the United States. However, the market conditions and other factors in the management environment negatively impacted on the gross profit. Green Energy Business showed robust sales of new solar power-related products for residential use via mass retailers as a channel.

Net sales exceeded the full-year forecast (up 21% compared to the forecast). Operating profit decreased due to the future investment in construction of new plants (down 29% compared to the forecast)

Topics

- July 2024 TOYO Co., Ltd., a subsidiary of the Company in the Solar Panel Manufacturing Business, was newly listed on the Nasdaq in the US
- August 2024 The Group revised the financial results forecast for the fiscal year under review and withdrew the numerical targets of its Medium-Term Management Plan (2024-26)
- October 2024 The Company announced the construction of a new solar cell manufacturing plant in Ethiopia (scheduled to start the operation in April 2025)
- November 2024 The Company announced the construction of a new solar panel manufacturing plant in the United States (M&A) (scheduled to start the operation in the middle of 2025)
- December 2024 The Company announced that it was the target of litigation against to the Company and its seven subsidiaries (currently eight subsidiaries, excluding the Company)
- February 2025 The Group revised the full-year financial results forecast subject to approval of the revision of the end of fiscal year from June 30 to March 31(the revision of the end of fiscal year was approved at the Extraordinary General Meeting of Shareholders)
- March 2025 The Company announced the construction of a new solar cell manufacturing plant in Ethiopia entered phase 2 (scheduled to start operation during the 2Q/FY2025)

## Statement of Income

- For 03/25 (nine-month period), Consolidated net sales 72.4 billion yen (up 21% compared to forecast) and operating profit was 36 billion yen (down 29% compared to forecast)
- Net sales were driven by new sales to India and Taiwan in which the growth of solar power market continues
- Gross profit margin decreased to 16.8% (compared to 18.5% for accumulated result in 3Q in the previous year). Management environment impacted trading conditions
- Decrease in operating profit is partly due to inventory valuation losses (cost of sales) in the Vietnam solar cell plant and increased cost such as new plant-related expenses (sales price)

(Millions of yen)	FY06/24 (12 months)	FY03/25 (9 months)	FY03/25 (9 months)	Change (compared to forecast)		3Q of FY06/ 24 accumulation (9 months)	Change (compared to previous 3Q accumulation)	
	Full-year results	Full-year forecast	Full-year results	Amount	Ratio	3Q accumulation	Amount	Ratio
<b>Net sales</b>	<b>208,972</b>	<b>60,000</b>	<b>72,417</b>	<b>+12,417</b>	<b>+20.7%</b>	<b>155,626</b>	<b>(83,209)</b>	<b>(53.5)%</b>
Solar Panel Manufacturing I	199,874	54,000	64,348	+10,348	+19.2%	148,651	(84,303)	(56.7)%
Green Energy Business	8,341	6,000	7,442	+1,442	+24.0%	6,372	+1,070	+16.8%
Other, adjustments	757	Including "Other"	627	—	—	603	+24	+4.0%
<b>Gross profit</b>	<b>44,573</b>	<b>—</b>	<b>12,177</b>	<b>—</b>	<b>—</b>	<b>28,803</b>	<b>(16,626)</b>	<b>(57.7)%</b>
Gross profit margin	21.3%	—	16.8%	—	—	18.5%	—	(1.7)pt
<b>Operating profit</b>	<b>23,349</b>	<b>5,100</b>	<b>3,602</b>	<b>△ 1,498</b>	<b>△29.4%</b>	<b>14,040</b>	<b>(10,438)</b>	<b>(74.3)%</b>
Operating profit margin	11.2%	8.5%	5.0%	—	△3.5pt	9.0%	—	(4.0)pt
<b>Ordinary Profit</b>	<b>24,894</b>	<b>5,100</b>	<b>3,737</b>	<b>△ 1,363</b>	<b>△26.7%</b>	<b>14,482</b>	<b>(10,745)</b>	<b>(74.2)%</b>
Ordinary profit margin	11.9%	8.5%	5.2%	—	△3.3pt	9.3%	—	(4.1)pt
<b>Profit attributable to owners of parent</b>	<b>9,530</b>	<b>1,000</b>	<b>951</b>	<b>△ 49</b>	<b>△4.9%</b>	<b>5,469</b>	<b>(4,518)</b>	<b>(82.6)%</b>
Net profit margin	4.6%	1.7%	1.3%	—	△0.4pt	3.5%	—	(2.2)pt

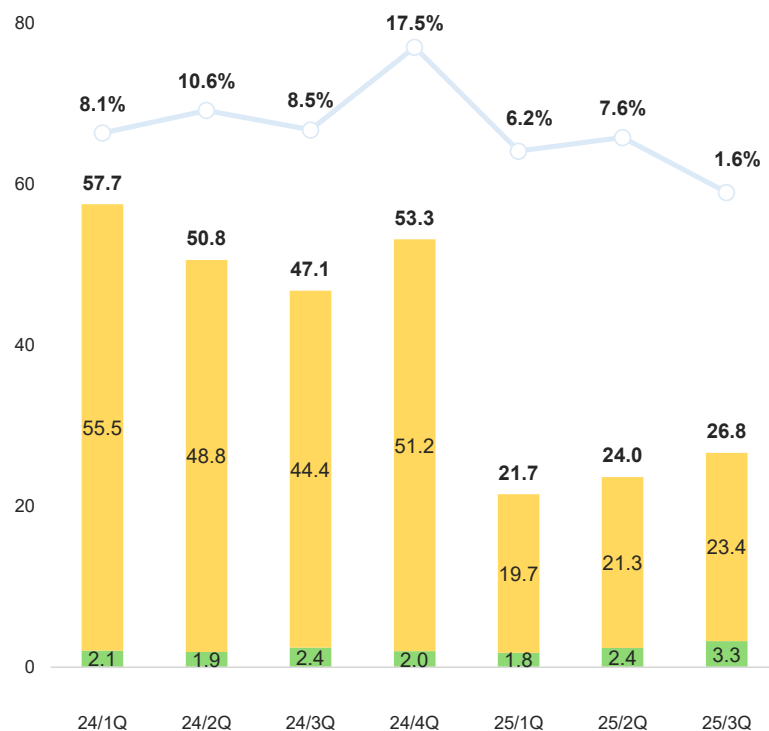
\*The "Other" category includes the IT Business, the Photocatalyst Business, and sales of construction machinery. The IT Business and the Photocatalyst Business have been reported in 06/24, however, they have been excluded from the reportable segments from 03/25. Accordingly, they are included in "Other."

## Summary of revenue and operating income by segment

(Millions of yen)		FY03/25	YoY	QoQ	FY03/25	YoY	QoQ	FY03/25	YoY	QoQ
		1Q	(%)	(%)	2Q	(%)	(%)	3Q	(%)	(%)
Solar Panel Manufacturing Business	Net Sales	19,700	(64.5)%	(61.5)%	21,254	(56.4)%	+7.9%	23,394	(47.3)%	+10.1%
	Operating Income	1,306	(70.3)%	(86.8)%	1,989	(64.9)%	+52.3%	194	(95.0)%	(90.2)%
Green Energy Business	Net Sales	1,796	(13.1)%	(8.8)%	2,395	+27.3%	+33.4%	3,251	+34.1%	+35.7%
	Operating Income	277	(43.9)%	-	14	(90.1)%	(94.9)%	461	+85.1%	+3192.9%
Total	Net Sales	21,655	(62.5)%	(59.4)%	23,958	(52.8)%	+10.6%	26,804	(43.1)%	+11.9%
	Operating Income	1,333	(71.5)%	(85.7)%	1,828	(66.0)%	+37.1%	441	(88.9)%	(75.9)%

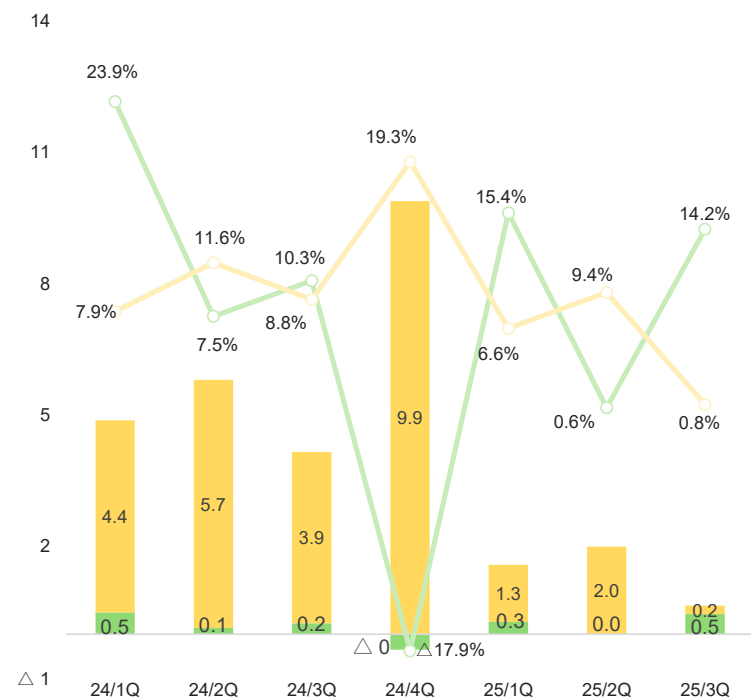
### Net Sales・Operating/Income ratio

(stacked chart unit: billion yen)



### Segment Profit/Margin

(stacked chart unit: billion yen)



※連結売上高合計には、「その他、調整」も含まれています。

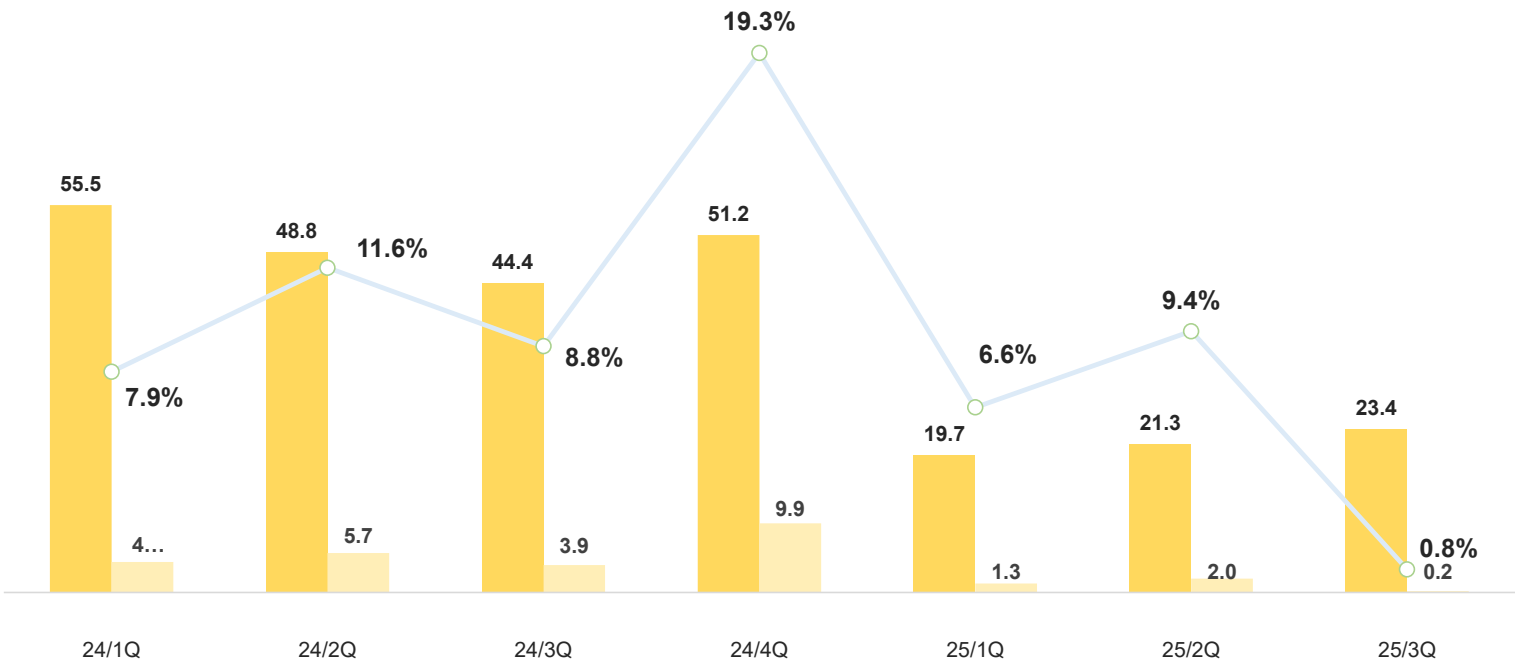


Solar Panel Manufacturing Business

- Net sales is on a recovery trend from a low point in the 25/1Q

(Millions of yen)	FY06/24 (12 months)	FY03/25 (9 months)	FY03/25 (9 months)	Change (compared to forecast)		3Q of FY06/ 24 accumulation (9 months)	Change (compared to previous 3Q accumulatio)	
	Full-year results	Full-year forecast	Full-year results	Amount	Ratio	3Q accumulation	Amount	Ratio
Net sales	199,874	54,000	64,348	+10,348	+19.2%	148,651	(84,303)	(56.7)%
Operating Income	23,876	—	3,489	—	—	13,978	(10,489)	(75.0)%
(% of Sales)	11.9%	—	5.4%	—	—	9.4%	—	(4.0)pt

〈Quarterly trend of Net sales and Operating profit (margin)〉 (Billions of yen)



## Green Energy Business

- **Net sales increased compared to the year-end forecast and year on year (accumulated 3Q)**
- Recurring revenue business model, our focus, showed robust results (4,437 millions yen in 03/25) on pace to outperform the results for the previous 12 months (4,476 million yen in 06/2024).

(Millions of yen)	FY06/24 (12 months)	FY03/25 (9 months)	FY03/25 (9 months)	Change (compared to forecast)		3Q of FY06/ 24 accumulation (9 months)	Change (compared to previous 3Q accumulation)	
	Full-year results	Full-year forecast	Full-year results	Amount	Ratio	3Q accumulation	Amount	Ratio
Net sales	8,341	6,000	7,442	+1,442	+24.0%	6,372	+1,070	+16.8%
Operating Income	532	—	752	—	—	885	(133)	(15.0)%
(% of Sales)	6.4%	—	10.1%	—	—	13.9%	—	(3.8)pt

### One-time revenue business model (spot profit)

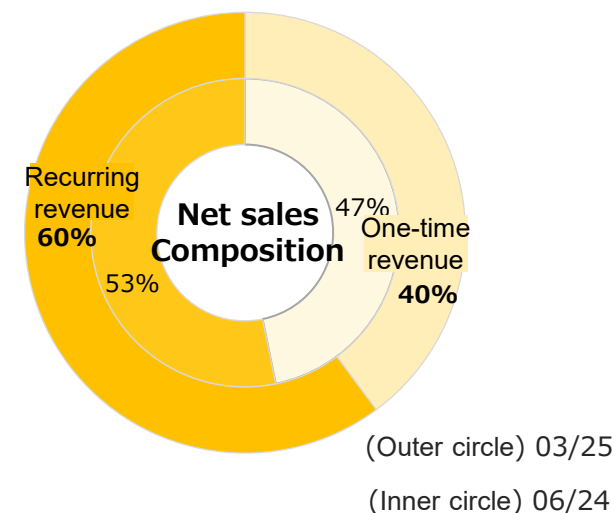
- Development of (low pressure) solar power plants for sale
- Sales of products related to solar power plant facilities
- Sales of residential solar power generation systems with major mass retailers as a channel (new business)
- Sales of solar panel reuse business

### Recurring revenue business model (stable revenue)

- Revenue from sales of electricity by the development and ownership of solar power plants (high/extra high pressure)  
—company-held power plant: 93 in Japan and overseas with over 100MG power generation capacity (as of March 31, 2025)
- Revenue from O&M (Operation & Maintenance)



company-held power plant  
Smile Kodaira Solar Power Plant (Miyagi Prefecture)  
Approximately 2.4MW annual energy output



## 3. Plan for FY03/26

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## Management Environment

### Economy

- Despite a moderate recovery trend, the future global economic outlook is even more uncertain due to the additional impact of the US trade policies including new tariff policies. The situation requires greater attention.

### Market

- In 2025, the global solar power market is expected to shift from a booming growth phase to a stable growth phase with the projected introduction of 655 GW\*(up 10% YoY) (Reference: up 85% in 2023 and up 33% in 2024)
- In the US market, the US Department of Commerce determined that AC/CVD taxation will be applied to solar cells manufactured in four Southeast Asian countries (finalized in April 2025)
  - Tax rate to VSUN: AD 77.12%, CVD 124.57%
  - The US Department of Commerce will officially issue a levy order followed by the finalization by the United States International Trade Commission.
- Polarization of renewable energy policies will progress
  - Subsidy policies of many countries will reach a turning point (India will expand the policy while the US attempts to partially freeze it.)

### Global Introduction Outlook in 2025

Optimistic scenario	30% growth YoY	774 GW
*Moderate scenario	10% growth YoY	655 GW
Pessimistic scenario	Minus 8% growth YoY	548 GW

Data courtesy: SPE "Global Market Outlook for Solar Power 2025-2029"  
(Published on May 6, 2025)

## Financial Results of the Company

- Consolidated net sales of 9.5 billion yen and operating profit of 6.0 billion yen for 03/26 (April 1, 2025 to March 31, 2026)
- 【Key strategies】 Establish supply chain systems in three areas (the US, Ethiopia, and Vietnam). We will enable the growth of profit again in the year through putting our management resources selectively to the US which provides high profitability in the solar power market as well as accelerating entry into the rapidly growing Asian region.

(YoY data is omitted due to the financial results for 03/25 is for 9 months)

	FY06/24 (12 months)	FY03/25 (9 months)	FY03/26 (12 months)
(Millions of yen)	Full-year results	Full-year forecast	Full-year forecast
<b>Net sales</b>	<b>208,972</b>	<b>72,417</b>	<b>95,000</b>
Solar Panel Manufacturing Business	199,874	64,348	85,000
Green Energy Business	8,341	7,442	10,000
Other, adjustments	757	627	Including "Other"
<b>Operating profit</b>	<b>23,349</b>	<b>3,602</b>	<b>6,000</b>
Operating profit margin	11.2%	5.0%	6.3%
<b>Ordinary Profit</b>	<b>24,894</b>	<b>3,737</b>	<b>6,000</b>
Ordinary profit margin	11.9%	5.2%	6.3%
<b>Profit attributable to owners of parent</b>	<b>9,530</b>	<b>951</b>	<b>※ 3,000</b>
Net profit margin	4.6%	1.3%	3.2%

\*For 03/26: TOYO's profit increase effect (decrease in profit distribution of minor shareholders) expanded YoY



## Solar Panel Manufacturing Business 1

**Manufacturing and Procurement Strategy:** Building a robust and competitive supply chain with a three-area structure

	FY06/24 (12 months)	FY03/25 (9 months)	FY03/26 (12 months)
(Millions of yen)	Full-year results	Full-year forecast	Full-year forecast
Net sales	199,874	64,348	85,000
Operating Income	23,876	3,489	5,500
(% of Sales)	11.9%	5.4%	6.5%

**Vietnam:** TOYO (Cells 2 GW), VSUN (Ingots and wafers 4 GW, and panels )

**In April 2025**  
**Launch a cell plant in Ethiopia**



**Middle of 2025**  
**Scheduled to launch a panel plant in the United States**



Company name	TOYO SOLAR MANUFACTURING ONE MEMBER PLC
Location	Hawassa, Sidama Reional State, Ethiopia
Business	Manufacturing and sales of solar cells
Investment amount	Planned: approx. 16.0 billion yen (approx. 9.0 billion yen in Phase 1 and approx. 7.0 billion yen in Phase 2) *Mainly for manufacturing equipment and land and buildings on leasing contract
Production capacity (scheduled)	Phase 1: 2.0 GW (start operation in April 2025) Phase 2: 2.0 GW (plan to start operation during 2Q of 03/26)

Company name	TOYO Solar Texas LLC
Location	Huston, State of Texas, United States of America
Business	Manufacturing and sales of solar panels
Investment amount	Planned: approx. 13.5 billion yen (approx. 4.5 billion yen in Phase 1 and approx. 9.0 billion yen in Phase 2) *Mainly for manufacturing equipment and land and buildings on lease agreement
Production capacity (scheduled)	Phase 1: 1.0 GW (plan to start operation in the middle of 2025) Phase 2: 1.5 GW (plan to start operation in the end of 2025)



## Solar Panel Manufacturing Business 2

**Marketing and Sales Strategy:** TOYO uses VSUN brand power in the US market while VSUN promotes diversification of the sales area



**Gain the US domestic demand using the VSUN sales channels, taking advantage of new Texas plant**

〈VSUN's expansion in the US〉

### U.S. customer locations



- 8 GW PV modules installed in the US cumulatively
- Equal to 6 million homes powered by VSUN's modules annually
- Equal to 19 million tons of carbon emissions saved cumulatively

Data courtesy: TOYO, "Excerpt from TOYO's Investor Deck (April 2025) "



**Gain customers in Asia, including India, and Europe and accelerate diversification of sales destinations**

〈VSUN's expansion in the world〉

### Customer locations by country



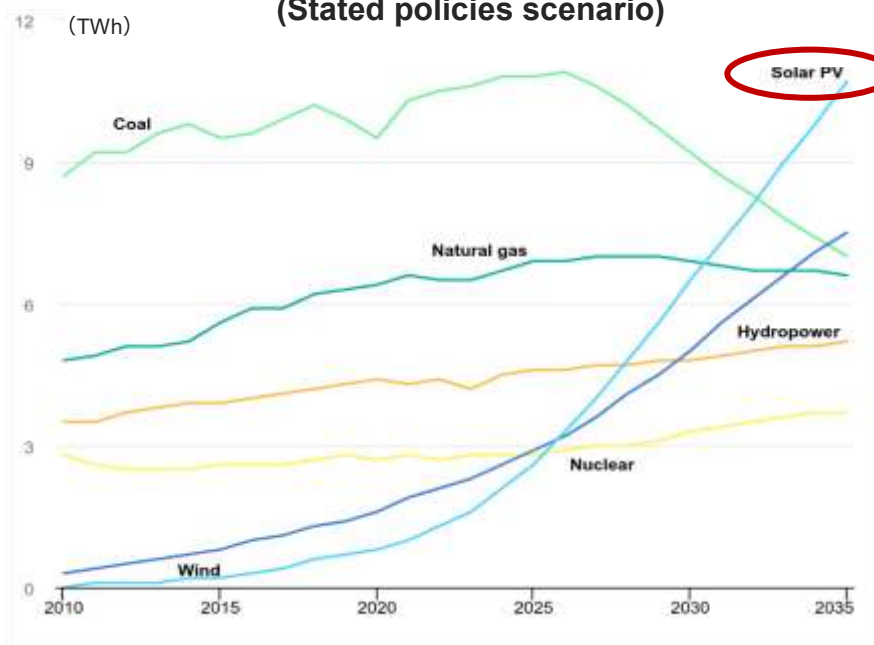
Data courtesy : VSUN, "VSUN Brochure 2024"

## Solar Panel Manufacturing Business 3

**Global Trend:** The trend of shifting main power source to mainly solar power and other renewable energies accelerating  
**The US Market:** Significant increase in new implementation of solar panels over 2024. In the following 10 year-period, new implementation accounting for 40 to 50 GW annually expected (SEIA, standard scenario)

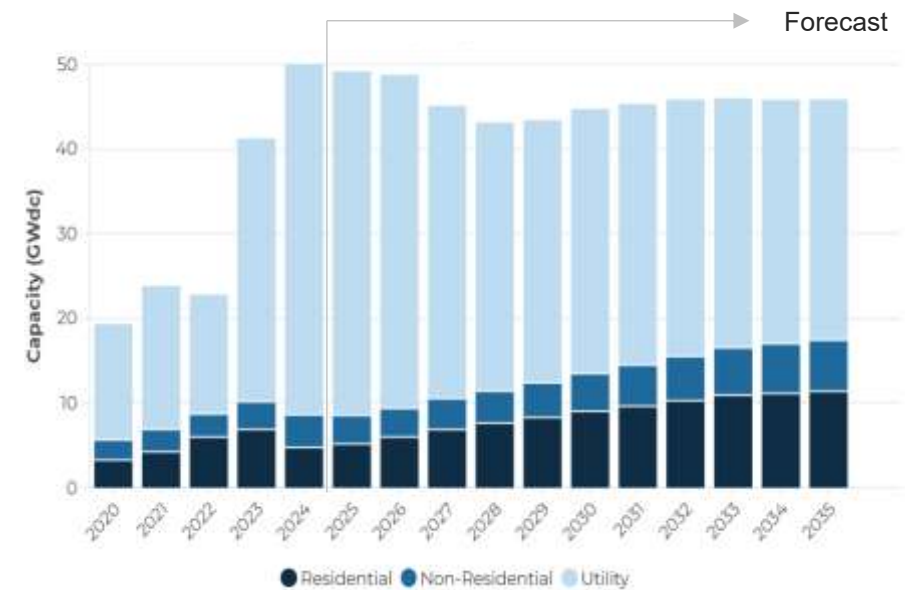
Solar power generation to be  
the main global power source by 2035  
(10.7 TWh·Share 26%)

World electricity generation by sources  
(Stated policies scenario)



The US to newly introduce 730 GW cumulatively by 2035  
(3x compared to the results in 2024)

US Forecast of new implementation of solar panels  
(Standard scenario)



Data courtesy : IEA, "World electricity generation in the Stated Policies Scenario, 2010-2035"

Data courtesy: SEIA, "Solar Market Insight Report 2024 Year in Review"

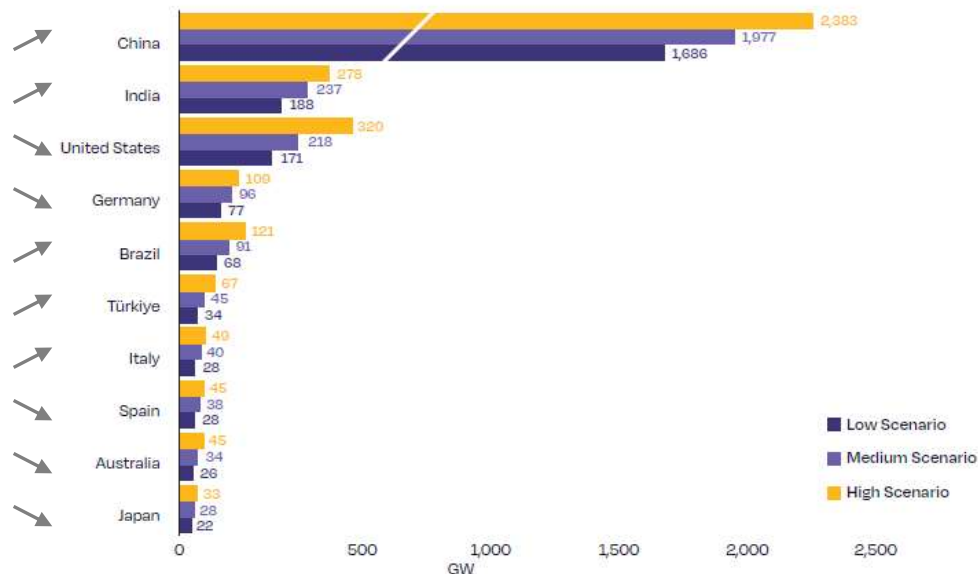
## Solar Panel Manufacturing Business 4

**India Market:** Predicted to exceed the US and become 2nd in the world in volume of solar panels implemented in the next 5 years. Government support and net zero target boosted the growth  
Domestic manufacturing capacity was expanded but the upstream processes mainly with cells are still depending on imports.

**Max. 278 GW solar power to be introduced in India from 2025 to 2029 (188 GW in medium scenario)**

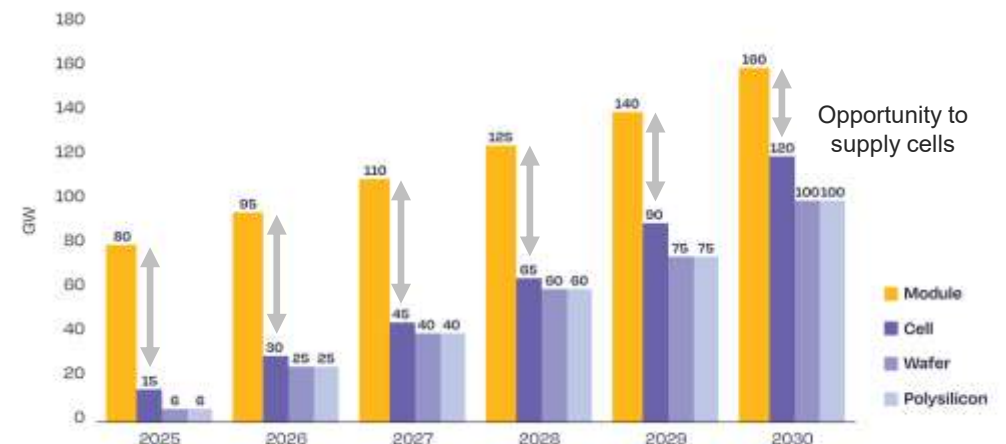
Global outlook for implementation of new solar panels (Low/Medium/High growth scenario)

YoY changes in 5 years scenario



**Manufacturing capacity of solar power photovoltaic products**  
**Significant expansion for 4 core components from 2025 to 2030**

Outlook for manufacturing capacity of new solar power photovoltaic products in India (panels(modules), cells, wafers, polysilicon)



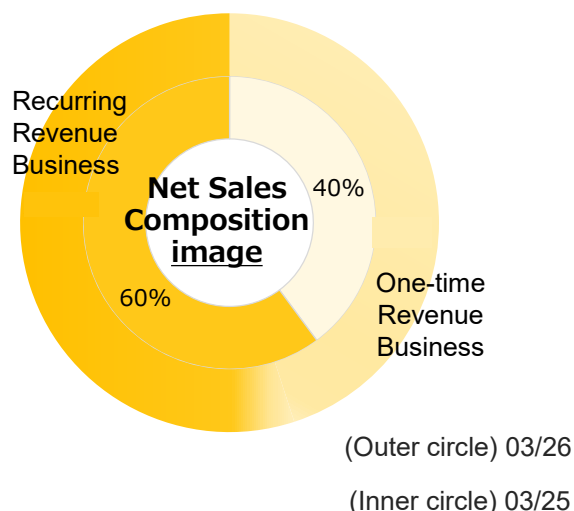
Data courtesy: SolarPower Europe, "Global Market Outlook for Solar Power 2025-2029" (Published on May 6, 2025)

## Green Energy Business 1

**Business Strategy:** A year to focus on integration and qualitative improvements of profit of the Green Energy Business. The sales of residential solar power generation for mass retailers will continue to be robust, and the earnings in the one-time revenue business is expected to make up a greater portion of net sales.

(Financial forecast by segment is not disclosed)

	FY06/24 (12 months)	FY03/25 (9 months)
(Millions of yen)	Full-year results	Full-year forecast
Net sales	8,341	7,442
Operating Income	532	752
(% of Sales)	6.4%	10.1%



### Generate spot revenue through one-time revenue business model (Sales)

- The sales of residential solar power generation for mass retailers are expected to remain robust continuing from the previous fiscal year.
  - Launch an “Event and Alliance Support,” retailer support providing know-how

### Generate stable revenue through recurring revenue business model (Power generation operators and O&M)

- The sale of electricity by the development and ownership of solar power plants, More precise evaluation of profitability of owned assets
  - Flexibly review the solar power plants portfolio
- Expansion of the business foundation through business partnership and M&As

### Materialize and explore new businesses (Grid-connected batteries, reuse)

- **Grid-connected batteries business** (Recurring revenue business model)
  - Launch 2 Hokkaido projects (Ishikari and Sapporo). They are expected to general profit in the next financial year and thereafter.
    - Focus on spotting a next grid-connected battery project
- Promote consultative selling approach through partnership for solar panel reuse business (one-time revenue business model)
  - Number of reused panels (cumulative) 610,000 panels • 172 MW positioning as one of the leading companies in the reuse business in Japan
  - The market, including the recycling business, is expected to be 0.11 trillion yen in 2050 (Data courtesy: JPEA)
  - The Ministry of Economy, Trade and Industry’s Seventh Strategic Energy Plan clearly stated the need for the promotion of renewable energy and discussion on development of a system for disposal and recycling of solar panels.

## Green Energy Business 2

**New Business (Grid-connected batteries business):** Nine companies including WWB launched the construction of grid-connected batteries in Sapporo City in March 2025

For more detailed information, please refer to the Company's news release on March 27, 2025  
[https://www.abalance.jp/resource/pdf/Notice\\_20250327-1.pdf](https://www.abalance.jp/resource/pdf/Notice_20250327-1.pdf)



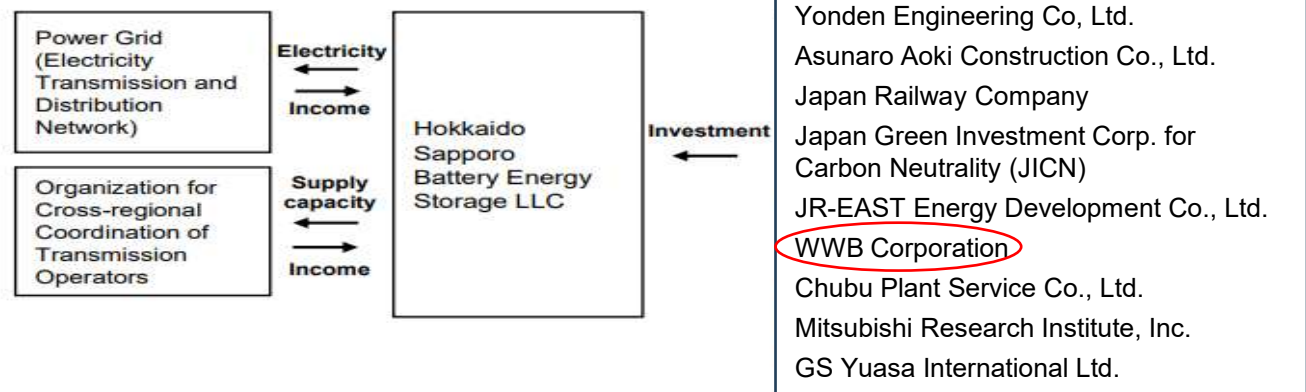
Securing power grid connection, power consultations, and dealing with local communities and governments regarding land acquisition

Start operation of large-scale battery energy storage systems in April 2024 (scheduled)



Company name	Hokkaido Sapporo Battery Energy Storage LLC
Location	Takamatsu City, Kagawa Prefecture
Representative member	Yonden Engineering Company, Incorporated
Business	Construction and operation of the energy storage plant Connect the energy storage plant to the power grid, charge with the surplus electricity, and sell it during peak demand periods to generate revenue
Outline	<b>Hokkaido Sapporo Battery Energy Storage Plant (Sapporo City, Hokkaido)</b> Output: 10 MW, Battery capacity: 30 MWh Operation start in April 2027 (scheduled)

### 〈Project and Investment Scheme〉





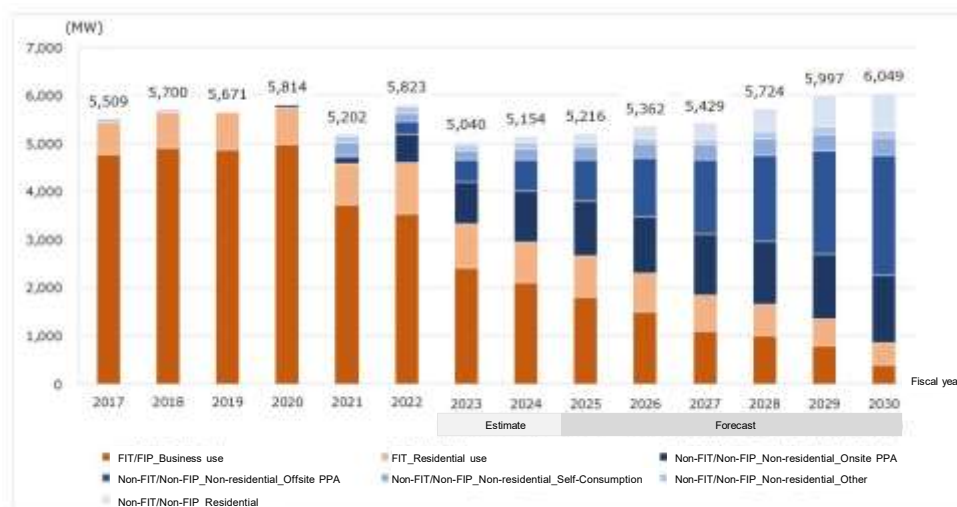
## Green Energy Business 3

**Market Size :** Amid the backdrop of the Government's measures for long-term renewable energy for sustainable power supply, the solar power market in Japan will expand gradually, becoming the main power source. (73% reduction scenario of GHG in FY2040 electric power compared to FY2013)

Decarbonization advances by shifting from FIT to offsite PPA and is driven by consumers  
The solar power market in Japan will expand gradually.

Growing share of solar power in Japan's power supply structure (from approx. 10% in 2023 preliminary results to 20% or more in 2024 outlook)

### Trends and Forecasts of Domestic Solar Power Generation Installation Capacity (By Contract Type)



#### Notes

- The data is based on the capacity (AC) of solar power facilities in Japan.
- Estimated value for FY2023 and FY2024 and forecast for FY2025 and after are provided.
- FIT/FIT\_Business use and FIT\_Residential use up to FY2022 refer to materials by the Agency for Natural Resources and Energy; those for other financial years and installation capacity by contract type are estimated values prepared by Yano Research Institute Ltd

Data courtesy: Yano Research Institute Ltd. "Solar Power Generation Market Research (2024)"

### Outlook of Japan's power demand and supply in 2024

		FY2023 Preliminary results	FY2040 Outlook
Energy self-sufficiency rate		15.2%	Approx. 30.0-40.0%
Electric power generation		9,854 billion kWh	Approx. 1.1 -1.2 trillion kWh
Composition	Renewable energy	22.9%	Approx. 40.0-50.0%
	Solar	9.8%	Approx. 23.0-29.0%
	Wind	1.1%	Approx. 4.0-8.0%
	Hydro	7.6%	Approx. 8.0-10.0%
	Geothermal	0.3%	Approx. 1.0-2.0%
	Biomass	4.1%	Approx. 5.0-6.0%
	Nuclear power	8.5%	Approx. 20.0%
Thermal power		68.6%	Approx. 30.0-40.0%
Final energy consumption		3.0 billion kL	Approx. 2.6 -2.7 billion kL
Greenhouse gas reduction rate (compared to FY2023)		22.9% *FY2022 results	73.0%

Data Courtesy: METI "Seventh Strategic Energy Plan"

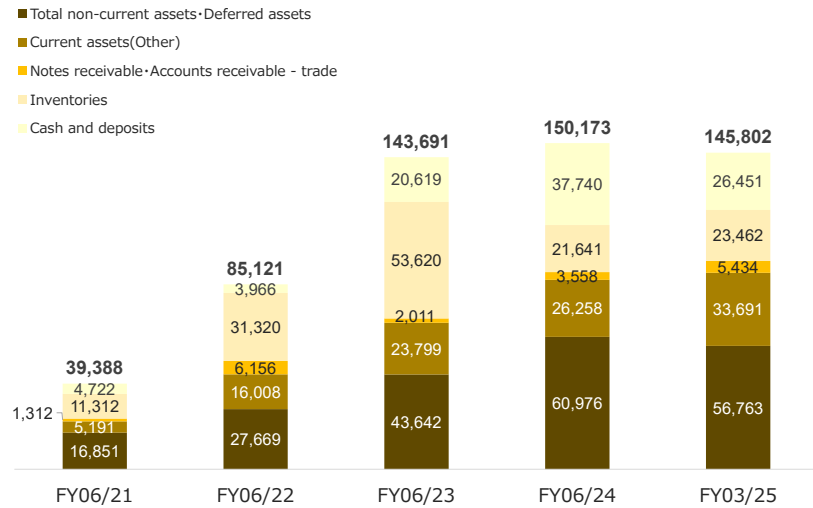
# 4. Appendix

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# Financial Summary

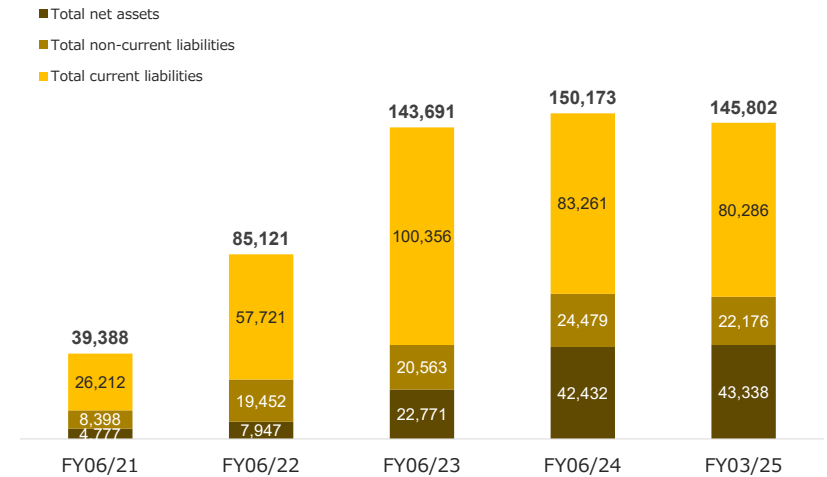
## Assets

(Millions of yen)



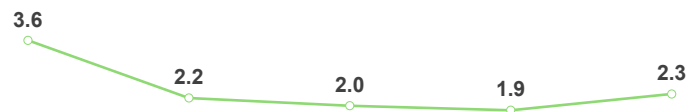
## Liabilities·Net Assets

(Millions of yen)



## CCC (Cash Conversion Cycle)

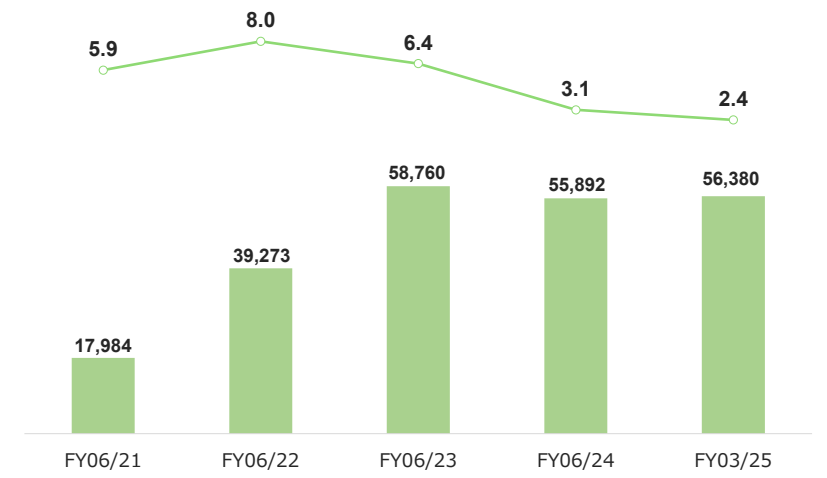
(in months)



	FY06/21	FY06/22	FY06/23	FY06/24	FY03/25
Inventory Turnover Period	4.8	3.1	2.7	2.7	3.4
Accounts Receivable Turnover Period	0.4	0.5	0.2	0.2	0.6
Accounts Payable Turnover Period	1.6	1.4	1.0	1.0	1.7

## Interest-bearing Debt, D/ERatio

(Millions of yen, times)

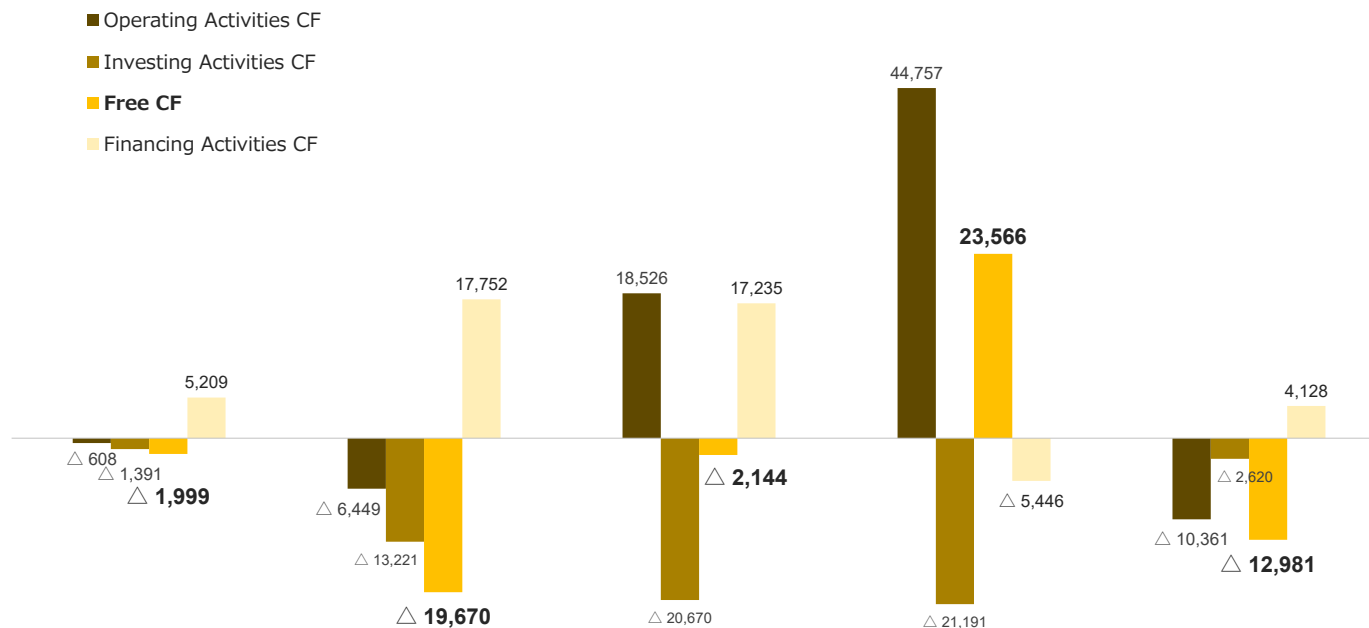


Interest-bearing liabilities (including lease liabilities and installment payables)



## Operating, investing, and financing CF, Free CF, Cash & Cash Equivalents at the End of Period

(Millions of yen)



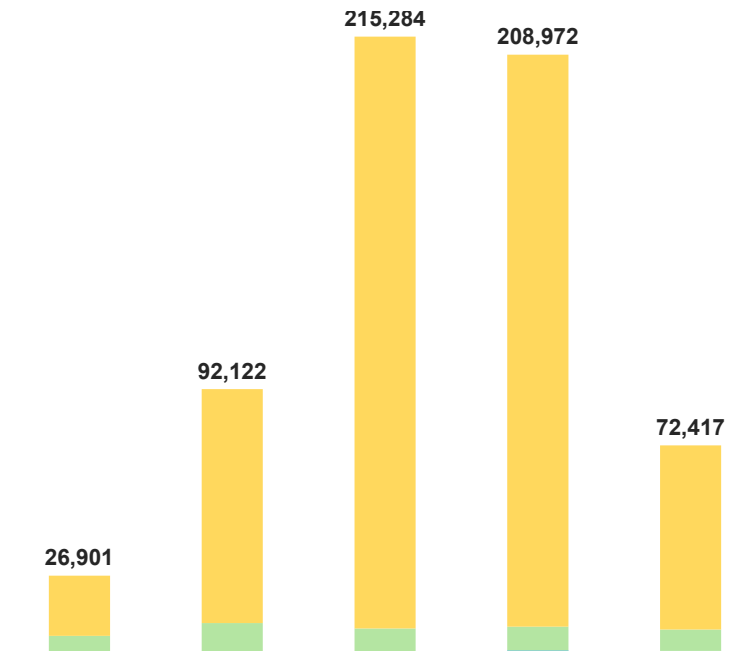
	FY06/21	FY06/22	FY06/23	FY06/24	FY03/25
Operating Activities CF	△ 608	△ 6,449	18,526	44,757	△ 10,361
Investing Activities CF	△ 1,391	△ 13,221	△ 20,670	△ 21,191	△ 2,620
<b>Free CF</b>	<b>△ 1,999</b>	<b>△ 19,670</b>	<b>△ 2,144</b>	<b>23,566</b>	<b>△ 12,981</b>
Financing Activities CF	5,209	17,752	17,235	△ 5,446	4,128
<b>Cash and cash equivalents at end of period</b>	<b>4,191</b>	<b>3,125</b>	<b>19,507</b>	<b>37,053</b>	<b>25,924</b>

# Trend in Net Sales and Operating Profit (Full-year, By segment)

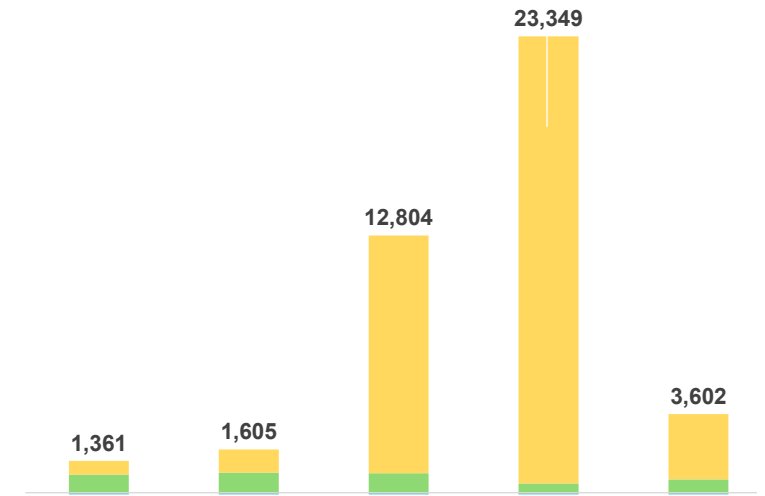
**VSUN was included in consolidation starting 2Q of FY06/21. The Company has grown with the Solar Panel Manufacturing Business as its core business**

(Millions of yen)

## 〈 Trend of Net Sales and Operating Profit (margin) 〉



	FY06/21	FY06/22	FY06/23	FY06/24	FY03/25 (9 months)
Consolidated net sales	26,901	92,122	215,284	208,972	72,417
Solar Panel Manufacturing Business	21,013	81,775	206,811	199,874	64,348
Green Energy Business	5,311	9,921	8,002	8,341	7,442
Other, adjustments	577	426	471	757	627



	FY06/21	FY06/22	FY06/23	FY06/24	FY03/25 (9 months)
Consolidated Operating profit	1,361	1,605	12,804	23,349	3,602
Solar Panel Manufacturing Business	731	1,238	12,701	23,876	3,489
Green Energy Business	1,005	1,112	1,076	532	752
Other, adjustments	△ 375	△ 745	△ 973	△ 1,059	△ 639

- The future outlook and estimated figures presented in this material are based on information available to our company at the time of its creation, as well as facts we recognized and results from our subsequent analyses, evaluations and calculations.
- While we have considered past confirmed facts and other recognized data, we have also used certain assumptions and premises necessary for this material's preparation and future outlook, including those we have calculated independently.
- Statements about future projections inherently carry risks and uncertainties. Given the potential shifts in business operations, domestic and global economic trends, securities markets, and other changing circumstances, our actual performance, results, and outcomes may differ from the projections and outlooks provided herein. We do not guarantee that these future projections or outlooks will materialize.
- We have taken meticulous care in preparing the content of this material. However, please understand that we cannot assume responsibility for any errors in the information presented or for any damages resulting from the use of this information.



Abalance Corporation